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RUEKJCS/SECDEF WASHDC PRIORITY
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RHEFDIA/DIA WASHINGTON DC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEHAD/AMEMBASSY ABU DHABI PRIORITY 4101
RUEHAS/AMEMBASSY ALGIERS PRIORITY 0722
RUEHAM/AMEMBASSY AMMAN PRIORITY 4404
RUEHAK/AMEMBASSY ANKARA PRIORITY 4893
RUEHLB/AMEMBASSY BEIRUT PRIORITY 4107
RUEHEG/AMEMBASSY CAIRO PRIORITY 2408
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 4863
RUEHLO/AMEMBASSY LONDON PRIORITY 1721
RUEHFR/AMEMBASSY PARIS PRIORITY 2168
RUEHRB/AMEMBASSY RABAT PRIORITY 8710
RUEHRO/AMEMBASSY ROME PRIORITY 6198
RUEHRH/AMEMBASSY RIYADH PRIORITY 1107
RUEHTU/AMEMBASSY TUNIS PRIORITY 5220
RUCNDT/USMISSION USUN NEW YORK PRIORITY 7177
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0041
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY
RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 001470

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

SIPDIS
E.O. 12958: N/A
TAGS: [OPRC](#) [KMDR](#) [IS](#)
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

1. Mideast
2. U.S.-Israel Relations

Key stories in the media:

All media (lead stories in The Jerusalem Post and Makor Rishon-Hatzofe) reported that yesterday the Water Authority unveiled an emergency plan to combat the "worst water crisis in the nation's history." The Jerusalem Post reported that top experts accused the government of resorting to short-term measures rather than adopting

a long-term strategy.

Leading media reported that the Iranian Revolutionary Guards have started military maneuvers (according to Yediot and The Jerusalem Post: following an American military exercise). Ha'aretz and other media said that the Guards warned that Israel and the U.S. fleet in the Persian Gulf would be key targets should Iran be attacked. Israel Radio quoted the Arabic-language Iranian Al Alam-TV as saying that Iran has successfully test-launched a 2,000-km-range Shihab-3 missile capable of carrying a one-ton charge.

The media reported on the upcoming prisoner swap with Hizbullah. The media reported that the High Court of Justice rejected a petition by the family of a victim of the Lebanese terrorist Samir Kuntar, thus endorsing the latter's release. Ha'aretz reported that the IDF's top military chaplain has stopped the process of declaring the two Hizbullah abductees KIA, since the signature of the agreement with Hizbullah has removed the relevance from the process.

The diplomatic-security cabinet will meet Wednesday to discuss the situation on the northern border, with an emphasis on Hizbullah's regained strength in south Lebanon. Defense officials will brief the ministers on Hizbullah's military activities and the situation on the Syrian front, while the Foreign Ministry will provide a briefing on efforts to improve UNIFIL's performance. Ha'aretz and Israel Radio reported that in a phone conversation yesterday, Defense Minister Ehud Barak told French FM Bernard Kouchner that "Israel won't accept ... the arms transfer from Syria to Hizbullah. Yediot banners a comment by Tami Arad, the wife of MIA Ron Arad, that she is still waiting for Hizbullah's answer about her husband's fate.

Ha'aretz reported that PM Olmert and FM Tzipi Livni are set to leave Saturday night for Paris to take part in the inauguration of the Mediterranean Union, an initiative of French President Nicolas Sarkozy. The newspaper reported that a proposal is to establish a highway linking all the countries along the Mediterranean. Ha'aretz quoted GOI officials as saying that the intent was for the highway to begin in Egypt and continue through North Africa. Only later would it be extended to Israel. However, Ha'aretz reported that due to opposition by countries in the region to cooperation with Israel on this matter, it can be assumed that the project as now envisioned will not be initiated in the near future.

The Jerusalem Post and other media reported that Olmert told visiting Italian FM that Israel is willing to talk about the Sheba Farms directly with Lebanon.

Major media reported on new developments in the Morris Talansky corruption case. Maariv reported that PM Ehud Olmert admitted to his interrogators that he received envelopes with cash from Talansky, but that they only contained hundreds of dollars. Ha'aretz reported that Sharon Tzur, a former Likud activist who was considered close to PM Ehud Olmert, is one of the key people summoned to give a deposition to the Israel Police in the investigation it is conducting in the U.S. in the Talansky affair. Tzur founded and runs Media Watch International, an organization that seeks to promote pro-Israel views in the American media. American Jewish businessman Ronald Lauder is one of the organization's major donors. Ha'aretz reported that another person from whom police are soliciting testimony in the U.S. is political consultant Zev Furst. Police want to know whether any of the money that Talansky gave Olmert found its way to Furst.

Media reported that three mortar shells were fired yesterday into the Negev. The Jerusalem Post reported that yesterday the IDF stepped up its crackdown on Hamas in the West Bank. Leading media reported that yesterday IDF troops inadvertently shot dead an Egyptian army officer along the border.

Ha'aretz, Maariv, The Jerusalem Post, and Israel Radio reported that today the human rights organization Yesh Din will present data according to which only 10 percent of the instances in which Palestinians accused settlers of attacking them ended up in indictments being filed against the suspects. The group examined 205 different cases of alleged assaults by settlers that were reported over the years. Ha'aretz reported that Amona, the West Bank settler outpost that saw nine houses destroyed by court order because they were built on privately owned Palestinian land, has

effectively annexed land for a road in an area (Area B) where Israel is not allowed to build.

Over the past few days the media reported that former state president Moshe Katsav, who was suspended from office over alleged sexual harassment and other charges, is demanding perks and looking into investments abroad. The mainstream media disapproves of benefits for Katsav.

In its coverage of the Fourth of July reception, The Jerusalem Post noted that Ambassador Richard Jones ordered the flag to be flown at half mast in deference to the long and close U.S.-Israeli relationship -- as a sign of respect to the victims of terrorism and their grieving families. The daily also quoted President Shimon Peres referring to the U.S. as the "pilot in the world's cockpit." The Jerusalem Post reported that PM Olmert focused not only on America's friendship and support of Israel, but that of Jones himself. The newspaper also mentioned the presence of former Ambassador Dan Kurtzer and his wife Sheila at the ceremony.

The Jerusalem Post reported that in his first public address yesterday, Under Secretary of State for Public Diplomacy and Public Affairs James Glassman said that the U.S. should not change its Middle East policies even though they hurt the country's image in the region.

Makor Rishon-Hatzofe and Israel Radio reported that Kadima MK Otniel Schneller, a former settler leader, called on the state to outlaw Anarchists against the Fence, a group fighting the West Bank separation barrier.

The Jerusalem Post reported on the visit to Israel of American astronaut Leland D. Melvin, who is in the country to attend a tennis tournament in memory of Israeli astronaut Col. Ilan Ramon.

Ha'aretz reported that while the official name of the parliamentary alignment created yesterday is the Legislative Caucus to Preserve the Jewish identity of the State of Israel, "it could more correctly be termed the demographic caucus, or perhaps the caucus for the prevention of the proliferation of Arabs." The daily reported that the pressure group was founded by MK Eliahu Gabbay (National Union - National Religious Party). Maariv reported that the Land of Israel Foundation (sic) is buying agricultural plots in the Galilee from Israeli Arabs and reselling them to Jews.

Makor Rishon-Hatzofe reported that prominent, veteran Arab affairs TV commentator Ehud Yaari is joining the Shalem Center (conservative-leaning but accommodating a wide range of political views), where he will explore new ways to resolve the Israeli-Palestinian conflict. He will continue to work for Channel 2-TV.

1. Mideast:

Summary:

The independent, left-leaning Ha'aretz editorialized: "One cannot expect the Palestinian Authority to deal with those who attack Jews when Jewish violence against Palestinians is tolerated."

Yossi Alpher, Co-Editor of the bitterlemons.org family of Israeli-Palestinian Internet publications and former director of the Jaffee Center for Strategic Studies at Tel Aviv University, wrote in the conservative, independent Jerusalem Post: "There are benefits to Bush's lame-duck status, but there are also limits.... A more intelligent and concentrated U.S. approach to the Middle East on the part of the next administration would be welcome -- the sooner the better."

Block Quotes:

I. "Too Easy on Settler Crime"

The independent, left-leaning Ha'aretz editorialized (7/9): "In the

early days of Israeli occupation in the territories, Jewish settler leaders promised a life of 'coexistence' with the Palestinian population, and they even employed Palestinian laborers in construction and service jobs. In recent years, as radical elements in the settlements and out posts have proliferated and become more powerful, the coexistence approach often seems to make way for a violent struggle that aims to deprive the Palestinians of their land.... In the last four weeks, the media have reported a series of grave incidents, most of them in the Hebron Hills area.... Most offenses against Palestinians are not reported at all because in many cases the victims do not bother to call the police or file a complaint against the attackers. This is in part because cases are usually closed, for various reasons; even those that are heard by a court usually and in acquittal or a light sentence.... As long as there is no political agreement on the fate of the occupied territories, the State of Israel is responsible for the welfare of the Palestinian population there. Just as the Defense Ministry allocates forces and funds to protect the settlers, the Internal Security [Police] Ministry must give the police the resources they need to protect law-abiding Palestinian citizens. The law-enforcement agencies, including the prosecution and the courts, must treat Jewish criminal behavior as severely as they do Palestinian crimes. One cannot expect the Palestinian Authority to deal with those who attack Jews when Jewish violence against Palestinians is tolerated."

II. "We Should Count our Blessings"

Yossi Alpher, Co-Editor of the bitterlemons.org family of Israeli-Palestinian Internet publications and former director of the Jaffee Center for Strategic Studies at Tel Aviv University, wrote in the conservative, independent Jerusalem Post (7/9): "Better a lame-duck President George W. Bush in 2008 than the president who confronted us for the previous seven years. After all, now that Bush is taking fewer initiatives and casting a smaller shadow over our conflicts, it is just possible that less damage will occur and that our leaders will free to take independent and welcome initiatives.... This brings us to contacts with Hamas, Israeli PM Ehud Olmert feels free to negotiate ceasefire and economic deals as well as a prisoner exchange with the Hamas leadership without risking Bush's condemnation or veto.... Olmert enjoys that flexibility with regard to Syria, too. A year ago he would not have dared go public with the Israel-Syria proximity talks held in Turkey lest he violate U.S. policy rules.... The same things could still happen with regard to Hamas. The Bush administration could at a critical juncture deny Olmert or Abbas the support they need to follow through on their current contacts with the Islamic movement. In other words, there are benefits to Bush's lame-duck status, but there are also limits.... A more intelligent and concentrated U.S. approach to the Middle East on the part of the next administration would be welcome -- the sooner the better."

12. U.S.-Israel Relations:

Summary:

The ultra-Orthodox Hamodi'a editorialized: "Israel's citizens are not keen on this government, whose actions and inaction are viewed by the public as the result of a struggle for survival. But Israel will continue to live through this period in its relations with the U.S."

Block Quotes:

"A Piquant Trip"

The ultra-Orthodox Hamodi'a editorialized (7/8): "The upcoming visit to the U.S. of Defense Minister Ehud Barak for meetings with the leaders of the defense establishment in the host country points to the nearing end of the present Presidential term... The government of Israel enters an unusual period as regards the concretization of the special friendship with the current U.S. administration -- exhausting positive bilateral relations vs. less positive demands by the Israel-friendly administration. Israel's citizens are not keen

on this government, whose actions and inaction are viewed by the public as the result of a struggle for survival. But Israel will continue to live through this period in its relations with the U.S."

JONES